

Award
FINRA Dispute Resolution

In the Matter of the Arbitration Between:

Claimants

Jose A. Rivera Riera
Desarrollos Jarra SE
Jenny Robles Adorno

Case Number: 15-00295

vs.

Respondents

UBS Financial Services Inc. of Puerto Rico
UBS Financial Services Inc.

Hearing Site: San Juan, Puerto Rico

Nature of the Dispute: Customers vs. Members

This case was decided by an all-public panel.

REPRESENTATION OF PARTIES

For Claimants Jose A. Rivera Riera ("Rivera"), Desarrollos Jarra SE ("Jarra") and Jenny Robles Adorno ("Robles"): Luis E. Minana, Esq., Espada, Minana & Pedrosa Law Offices PSC, San Juan, Puerto Rico and Eric Quetglas-Jordan, Esq., Quetglas Law Offices, P.S.C., Guaynabo, Puerto Rico.

For Respondents UBS Financial Services Inc. ("UBS") and UBS Financial Services Inc. of Puerto Rico ("UBSPR"): Edwin A. Zipf, Esq., Bressler, Amery & Ross, P.C., Florham Park, New Jersey and Roberto C. Quinones, Esq., McConnell Valdes LLC, Hato Rey, Puerto Rico.

CASE INFORMATION

Statement of Claim filed on or about: February 7, 2015.

Jose Antonio Rivera Riera signed the Submission Agreement: January 22, 2015.

Desarrollos Jarra SE signed the Submission Agreement: January 22, 2015.

Jenny Robles Adorno signed the Submission Agreement: January 22, 2015.

Statement of Answer filed by Respondents on or about: June 12, 2015.

UBS Financial Services Inc. signed the Submission Agreement: February 25, 2015.

UBS Financial Services Inc. of Puerto Rico signed the Submission Agreement: July 10, 2015.

CASE SUMMARY

Claimants asserted the following causes of action: violation of the Federal Securities Act; violation of the Puerto Rico Securities Act – 10 L.P.R.A. Section 890; and fault,

fraud, deceit, recklessness and negligence. The causes of action relate to Claimants' investments in Puerto Rico bonds and shares of Puerto Rico closed-end funds, and the use of loan proceeds to purchase securities.

Unless specifically admitted in their Answer, Respondents denied the allegations made in the Statement of Claim and asserted various affirmative defenses.

RELIEF REQUESTED

In the Statement of Claim, Claimants requested: compensatory damages in the amounts of \$1,908,547.72 for Claimant Rivera, \$530,000.00 for Claimant Jarra and \$98,000.00 for Claimant Robles; punitive damages in the amount of \$18,000,000.00 (\$6,000,000.00 per Claimant); interest as mandated by law; reasonable attorneys' fees; costs and other expenses incurred, including FINRA filing fees and arbitration fees and expenses; disgorgement and reimbursement of all unlawful commissions and other unlawful revenue generated by Respondents; that the Panel declare void the Puerto Rico securities purchases and line-of-credit loans, and order Respondents to reimburse Claimants all monies they paid for the securities and loan, including all related fees, commissions and loan interest and enter a finding that Claimants owe nothing to Respondents; and such other and further relief deemed just and appropriate by the Panel.

At the close of the hearing, Claimants requested: compensatory damages in the range of \$1,163,875.77 and \$1,337,140.00; attorneys' fees in the range of \$384,079.00 and \$441,256.20; pre-judgment interest at the rate of 4.25% per annum accruing from February 2015 until September 2016; disgorgement of total loan interest and charges in the amount of \$1,209,871.00; and disgorgement of December 2012 commissions in the amount of \$66,697.00.

In their Statement of Answer, Respondents requested: dismissal of Claimants' claims in their entirety, with prejudice, and that Claimants take nothing by their claims; assessment of all FINRA fees and costs against Claimants; expungement of any record of this arbitration from the Central Registration Depository ("CRD") records of Leroi Sanchez and any other relevant UBS employee; and such other and further relief as deemed just and equitable.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrators acknowledge that they have each read the pleadings and other materials filed by the parties.

In their Statement of Answer, Respondents requested expungement of any record of this arbitration from the CRD records of Leroi Sanchez and any other relevant UBS employee. Inasmuch as Respondents did not reiterate this request for expungement during the evidentiary hearing, the Panel deemed Respondents' request to be withdrawn without prejudice, and did not make any determinations with respect thereto.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered.

AWARD

After considering the pleadings, the testimony and evidence presented at the hearing, and the post-hearing submissions (if any), the Panel has decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents are jointly and severally liable for and shall pay to Claimant Rivera compensatory damages in the amount of \$562,500.00, pre-judgment interest specifically excluded. Post-judgment interest, if any, shall accrue in accordance with Rule 12904(j) of the Code of Arbitration Procedure (the "Code").
2. Respondents are jointly and severally liable for and shall pay to Claimant Jarra compensatory damages in the amount of \$157,500.00, pre-judgment interest specifically excluded. Post-judgment interest, if any, shall accrue in accordance with Rule 12904(j) of the Code.
3. Respondents are jointly and severally liable for and shall pay to Claimant Robles compensatory damages in the amount of \$30,000.00, pre-judgment interest specifically excluded. Post-judgment interest, if any, shall accrue in accordance with Rule 12904(j) of the Code.
4. Any and all relief not specifically addressed herein, including Claimants' requests for punitive damages and attorneys' fees, is denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution assessed a filing fee* for each claim:

Initial Claim Filing Fee	=\$ 2,250.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. Accordingly, as parties, Respondents UBS and UBSPR are assessed the following:

Respondent UBS

Member Surcharge	=\$ 4,025.00
Member Process Fee	=\$ 7,000.00

Respondent UBSPR

Member Surcharge	=\$ 4,025.00
Member Process Fee	=\$ 7,000.00

Hearing Session Fees and Assessments

The Panel has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrators that lasts four (4) hours or less. Fees associated with these proceedings are:

Three (3) Pre-hearing sessions with the Panel @\$1,500.00/session	= \$ 4,500.00
Pre-hearing conferences: July 20, 2015	1 session
May 18, 2016	1 session
June 28, 2016	1 session

Twenty (20) Hearing sessions @\$1,500.00/session	= \$30,000.00
Hearing Dates: July 7, 2016	2 sessions
July 8, 2016	2 sessions
July 11, 2016	2 sessions
July 12, 2016	3 sessions
July 13, 2016	2 sessions
July 14, 2016	2 sessions
July 15, 2016	2 sessions
August 22, 2016	2 sessions
August 23, 2016	2 sessions
August 24, 2016	1 session

Total Hearing Session Fees	= \$34,500.00
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The Panel has assessed \$17,250.00 of the hearing session fees jointly and severally to Claimants.

The Panel has assessed \$17,250.00 of the hearing session fees jointly and severally to Respondents.

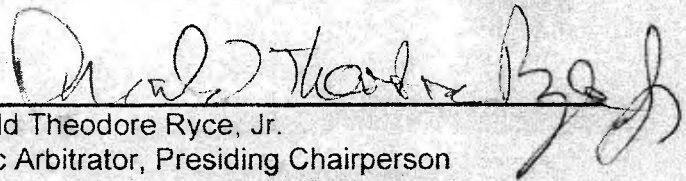
All balances are payable to FINRA Office of Dispute Resolution and are due upon receipt.

ARBITRATION PANEL

Donald Theodore Ryce, Jr. - Public Arbitrator, Presiding Chairperson
Thomas Joseph Atkinson, Sr. - Public Arbitrator
Michael S. Yauch - Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument which is my award.

Concurring Arbitrators' Signatures



Donald Theodore Ryce, Jr.
Public Arbitrator, Presiding Chairperson

9/8/16

Signature Date

Thomas Joseph Atkinson, Sr.
Public Arbitrator

Signature Date

Michael S. Yauch
Public Arbitrator

Signature Date

9/9/16

Date of Service (For FINRA Office of Dispute Resolution use only)

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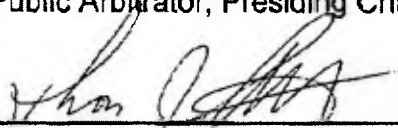
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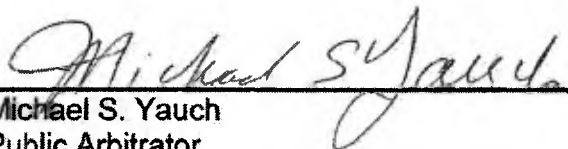
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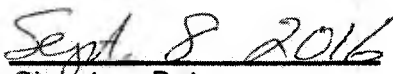
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